

18 February 1948

MEMORANDUM TO MR. JOHN WARNER ✓
MR. E. R. SAUNDERS, CHIEF BUDGET &
FINANCE BRANCH

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SUBJECT: CIA Proposed Legislation

1. Attached herewith is the latest draft, dated 16 February 1948, of proposed CIA legislation. This draft incorporates certain suggestions which have been put forward in connection with this legislation, after consideration of the draft of 5 February.

2. Section 4 has been revised to the extent that sub-sections have been added to allow for the delegation of authority in questions of procurement wherever possible.

3. It will be noted, in connection with Section 6 on Education and Training, that ADSO objects vigorously to this section and such objection will be noted. At the present time, however, this section will continue to be included in the draft.

4. Some of the sub-sections of Section 7 have been renumbered, so that several of the sub-sections may be included under the over-all phrase, "Under such regulations as the Director may prescribe, the Agency shall. . ." Sub-sections 7(a)(6) concerning travel occasioned by changes in the seat of the government, and 7(a)(8) concerning the transportation of remains in the draft of 5 February have both been eliminated, as agreed upon, the former section as not needed and the latter as included in the appropriations language of Section 9.

5. In Section 7(b)(2) of the present draft the word "such" has been stricken from line 3 preceding the word "work", as agreed upon, and the phrase "as the Director may prescribe" has also been stricken as it appears in the beginning of Section 7. Section 7(e)(3) of the draft of 5 February, concerning allowances to provide for proper representation of the United States, has been stricken, as agreed. Section 7(f)

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of the draft of 5 February which provided officers and employees with household equipment on a loan basis, to which ADSO objected on the basis that it was not needed and hard to administer, has been eliminated, as agreed.

6. The general authority phrase, "In the performance of its functions, the Central Intelligence Agency is authorized to. . .", which formerly appeared at the head of Section 4, has now been transferred to the head of Section 8 "General Authorities". In connection with Section 8(e), to which ADSO objected in general on the ground that there was no need for the section, it has been felt that the primary need for the section is a need other than an SO one, particularly for action within the United States and therefore it is being retained for discussion.

7. Section 8(h) has been retained for discussion except that the original proviso that nothing in the section should be construed as preventing disclosure of information to Committees of the Congress has been stricken.

8. In Section 9(a)(1) the phrase "including employment of aliens" has been added in line 3 of the present draft, and the phrase "association and library dues" has been added in lines 32 and 33 of Section 9(a)(1) of the present draft, as suggested by the Budget and Finance Branch. In Section 9(b)(2) of the present draft, the phrase "extraordinary or emergency nature" has been added to the draft, as suggested by the Budget and Finance Branch, for purposes of discussion only, in order that a policy decision may be reached on this point.

9. In accordance with the memorandum to the undersigned from the Chief of Budget and Finance Branch, addressing comments to the draft of 5 February, it has been agreed as follows:

a) That present law sufficiently covers the acceptance and utilization of voluntary and uncompensated services so that nothing further need be added;

b) That purchase and distribution, free or otherwise, of special types of items as authorized by the Director is not advisable;

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- c) That inclusion of provisions for travel on foreign registered ships and for the making up of losses by exchange, are also not advisable;
- d) That provisions for association and library dues would be included in Section 9;
- e) That further discussion, particularly with the Bureau of the Budget would be had to determine proper phraseology in connection with determinations as to the allocation of proportions of vouchered to unvouchered funds;
- f) That the proposed draft of 5 February contained language sufficient to bring an exception to the necessity of the Director of the Bureau of the Budget to report Agency personnel ceilings to the Congress.

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Walter L. Pforzheimer
Legislative Liaison Officer